

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 7
)	Case No. 19-10236
Johnson Publishing Company, LLC,)	
)	Hon. Jack B. Schmetterer
Debtor.)	
)	Date: November 26, 2019
)	Time: 10:00 a.m.

**NOTICE OF TRUSTEE'S APPLICATION TO RETAIN CHUHAK & TECSON, P.C.
AS SPECIAL COUNSEL TO THE TRUSTEE RETROACTIVE TO NOVEMBER 5, 2019**

To: See attached Service List

PLEASE TAKE NOTICE that on **November 26, 2019 at 10:00 a.m.**, or as soon thereafter as counsel may be heard, I shall appear before the Honorable Jack B. Schmetterer of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, in Room 682 at 219 South Dearborn, Chicago, Illinois, and shall then and there present the attached **Trustee's Application to Retain Chuhak & Tecson, P.C. as Special Counsel to the Trustee Retroactive to November 5, 2019**, a true and correct copy of which is hereby served upon you.

By: /s/ Michael D. Leifman
Proposed Special Counsel to Miriam R. Stein, as
Chapter 7 Trustee of the Estate of Johnson
Publishing Company, LLC

PROOF OF SERVICE

I, the undersigned attorney, certify that I served a copy of this Notice and attached **Trustee's Application to Retain Chuhak & Tecson, P.C. as Special Counsel to the Trustee Retroactive to November 5, 2019** upon the person(s) listed below electronically which occurs automatically upon the filing of the aforesaid document with the Bankruptcy Clerk of the Court on November 20, 2019, unless a copy was served otherwise listed below.

By: /s/ Michael D. Leifman
Proposed Special Counsel to Miriam R. Stein, as
Chapter 7 Trustee of the Estate of Johnson
Publishing Company, LLC

Michael D. Leifman (ARDC #6324233)
Chuhak & Tecson P.C.
30 S. Wacker Drive, 26th Floor
Chicago, IL 60606
(312) 855-4612
mleifman@chuhak.com

SERVICE LIST

Party to receive notice electronically via CM/ECF:

Patrick S Layng, U.S. Trustee
USTPRegion11.ES.ECF@usdoj.gov

Howard L. Adelman, *counsel to the Debtor*
hla@ag-ltd.com

Steven B Chaiken, *counsel to the Debtor*
schaiken@ag-ltd.com

Randall Klein and Eva D. Gadzheva, *counsel to creditor Desiree G. Rogers*
Randall.Klein@GoldbergKohn.com
Eva.Gadzheva@GoldbergKohn.com

J. Mark Fisher and Sarah K. Angelino, *counsel to Linda Johnson Rice*
mfisher@schiffhardin.com
sangelino@schiffhardin.com

Brian Greer, *counsel to creditor Capital Holdings V, LLC*
brian.greer@dechert.com

Jeffrey M Schwartz, *counsel to Capital Holdings V, LLC*
jschwartz@muchshelist.com

Heather L. Blaise, *counsel to Petra Alexandra, Inc.*
hblaise@blaisenitchkelaw.com

Sarah K. Angelino, *counsel to Linda Johnson Rice*
sangelino@schiffhardin.com

John M George and
Mason W Kienzle, *counsel to World Wide Packaging, LLC*
jgeorge@kattentemple.com
mkienze@kattentemple.com

Elizabeth E Richert, *counsel to Branden R. Bell, Brian E. Bell, Karen K. Bell, Richard E. Bell*

erichert@crottylaw.com

Daniel A. Cohen, *counsel to creditor Walden Macht & Haran*

dcohen@wmhlaw.com

Michael R. Collins, *counsel to creditor Smooch Music, Inc.*

michael.collins@collinsandcollins.com

William J. Factor, *counsel to interested party Estate of Moneta Sleet, Jr.*

wfactor@wfactorlaw.com

Jeffrey B. Greenspan, *counsel to creditor Walden Macht & Haran*

jgreenspan@cozen.com

Timothy W. Hofmann, *counsel for creditor Jones Day*

thoffmann@jonesday.com

Christopher J. Horvay, *counsel for creditor Kolmar Laboratories, Inc.*

chorvay@sfggh.com

James J. Ktsanes, *counsel for interested party FFair Acquisition, LLC*

James.ktsanes@lw.com

David M. Madden, *counsel for creditor Kolmar Laboratories, Inc.*

dmadden@sfggh.com

Felicia Geber Perlman, *counsel for interested party NBA Properties, Inc.*

fperlman@skadden.com

Charles S. Stahl, Jr., *counsel for creditor Rev. Jesse Jackson*

cstahl@smbtrials.com

Frank Veins, *counsel for creditor Jerhel
Plastics Inc.*
frankpaulvein@yahoo.com

Thomas B. Walper, *counsel for creditor The
J. Paul Getty Trust*
Thomas.walper@mto.com

Ryan T. Schultz, *counsel for trustee Miriam
R. Stein*
rschultz@foxswibel.com

Party to receive notice via overnight delivery:

Johnson Publishing Company, LLC
200 S. Michigan Ave., Suite 900
Chicago, IL 60604
dba Fashion Fair Cosmetics

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 7
)	Case No. 19-10236
Johnson Publishing Company, LLC,)	
)	Hon. Jack B. Schmetterer
Debtor.)	
)	Date: November 26, 2019
)	Time: 10:00 a.m.

**TRUSTEE’S APPLICATION TO RETAIN CHUHAK & TECSON, P.C.
AS SPECIAL COUNSEL TO THE TRUSTEE RETROACTIVE TO NOVEMBER 5, 2019**

Miriam R. Stein, not individually, but solely in her capacity as chapter 7 trustee (the “Trustee”) for the bankruptcy estate (the “Estate”) of Johnson Publishing Company, LLC (the “Debtor”), by and through her proposed special counsel, Chuhak & Tecson, P.C. (“Chuhak”), and pursuant to Sections 327(a) and 328(a) of Title 11 of the United States Code (the “Bankruptcy Code”) and Rule 2014 of the Federal Rules of Bankruptcy Procedure, respectfully requests entry of an order allowing her to retroactively, as of November 5, 2019, retain Chuhak as special counsel to the Trustee for the purposes outlined herein. In support of this Application, the Trustee states as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Application is a proceeding pursuant to 11 U.S.C. §§ 327(a) and 328(a).

BACKGROUND

2. On April 9, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois (the “Court”).

3. On the same day, the United States Trustee for the Northern District of Illinois appointed Miriam R. Stein as the Trustee for the Estate. As of the Petition Date, the Estate consisted of, without limitation, the Debtor's iconic archive of photographs and other media items documenting African-American history for 70 years and certain related assets (the "Archive"), a collection of non-photography artwork (the "Artwork"), and specialized dresses and clothing ("Dresses"), office furniture and other miscellaneous assets ("Furniture"), and other the assets comprising the Debtor's Fashion Fair cosmetics business ("Fashion Fair Assets") (collectively, the Artwork, Dresses, Furniture and Fashion Fair Assets will be referred to as the "Assets").

4. On July 22, 2019, the Estate consummated through an auction the sale of the Archive to a consortium of four entities that collectively comprised the highest and best bidders (the "Sale"). The Sale price for the Archive equaled \$30 million.

5. On November 7, 2019, the Court entered an Order authorizing the Trustee to sell the Fashion Fair Assets for \$1,850,000. The Fashion Fair Asset sale is due to close by month-end.

6. As of the time this Motion is being filed, approximately 105 claims by purported creditors of the Debtor have been filed in this case (collectively, "Claims").

RELIEF REQUESTED

7. By this Application, and pursuant to 11 U.S.C. § 327(a), the Trustee seeks authority to employ and retain Chuhak as her special counsel for the following purposes: (i) to review and analyze the Claims; (ii) to prepare and prosecute Trustee's objections to the Claims, if any; and (iii) to engage in other and further litigation related activities concerning this case including, but not necessarily limited to, investigate and, where appropriate, prosecute and/or compromise fraudulent conveyance and preference actions. Additionally, and pursuant to 11 U.S.C. § 328(a), the Trustee seeks approval of the compensation structure for Chuhak outlined herein.

DISCUSSION

8. Section 327(a) of the Bankruptcy Code provides that the Trustee may, subject to court approval, employ attorneys that do not have an interest adverse to the Estate, and that are disinterested persons, as defined in 11 U.S.C. § 101(14).

9. The “part of § 327(a) which reads that attorneys for the trustee may ‘not hold or represent an interest adverse to the estate’ ... mean[s] that the attorney must not represent an adverse interest relating to the services which are to be performed by that attorney.” *In re AroChem Corp.*, 176 F.3d 610, 622 (2d Cir. 1999). “Thus, where the interest of the special counsel and the interest of the estate are identical with respect to the matter for which special counsel is retained, there is no conflict and the representation can stand.” *Id.*

10. The Trustee has selected Chuhak because they are experienced in bankruptcy matters, well qualified to represent the Trustee, and because employment of Chuhak would be in the best interest of the Trustee and the Estate.

11. Other than those disclosed in the Declaration of Miriam R. Stein, Principal at Chuhak (a true and correct copy of which is attached and incorporated hereto as **Exhibit A**), Chuhak has no connections with the Debtor, creditors that have filed Claims, or any other party of interest, their respective attorneys and/or accountants. Thus, Chuhak is a “disinterested person” within the meaning of that term as used in 11 U.S.C. § 327(a) and as defined at 11 U.S.C. § 101(14).

12. The Trustee has been a principal at Chuhak for more than five years. The individuals from Chuhak who will substantially assist the Trustee include, but are not necessarily limited to, Miriam R. Stein (principal), Mark J. Altschul (principal), Michael D. Leifman (associate), and Lynda Reuther (paralegal). All three of the referenced attorneys are duly admitted

to practice in, and are in good standing with the Bars of, the State of Illinois and the United States District Court for the Northern District of Illinois.

13. 328(a) of the Bankruptcy Code permits a trustee to retain special counsel on an hourly fee basis.

14. Chuhak proposes to perform the legal services described herein for the Trustee in connection with its employment at its normal customary hourly rates of \$390 to \$475 per hour for principals, \$295 per hour for associates, and \$215 per hour for paralegals, plus reasonable expenses. Chuhak further proposes to have this compensation structure be made retroactively effective as of November 5, 2019, to accommodate legal services Chuhak has already performed in connection with this Motion and in anticipation of being appointed special counsel to the Trustee.

15. Chuhak has received no funds from the Debtor or the Estate from a period of one year prior to the filing of the Debtor's Petition through the date of this Application.

16. The proposed employment of Chuhak is not prohibited or improper under Federal Rule of Bankruptcy Procedure 5002.

17. Payment of attorney's fees shall be made upon further petition to this Court, based upon the Compensation structure set forth in the Retainer Agreement and approved herein.

18. Pursuant to Federal Rule of Bankruptcy Procedure 2002(a), The Trustee has sent seven days electronic notice of this Application to the Debtor (Debtor was also sent seven notice via U.S. Mail), the U.S. Trustee, Chuhak, and any other party requesting notice via ECF. The Trustee requests that this Court approve such notice as sufficient.

WHEREFORE, the Trustee respectfully requests that the Court: (i) grant this Application; (ii) approve the retention of Chuhak & Tecson, P.C., retroactively as of November 5, 2019, as the

Trustee's special counsel upon those terms and conditions set forth herein; (iii) approve the compensation structure for payment of Chuhak's attorney's fees and costs pursuant to the terms set forth herein; (iv) enter an order in substantially the form appended hereto; and (v) grant the Trustee such other and further relief as this Honorable Court may deem just and proper.

Dated: November 20, 2019

Respectfully submitted,

Miriam R. Stein, as Chapter 7 Trustee of the Estate
of Johnson Publishing Company, LLC

By: /s/ Michael D. Leifman
Her proposed special counsel

Michael D. Leifman (ARDC #6324233)
Chuhak & Tecson P.C.
30 S. Wacker Drive, 26th Floor
Chicago, IL 60606
(312) 855-4612
mleifman@chuhak.com